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SIPDIS

SENSITIVE
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FROM AMBASSADOR HUME TO U/S PAULA DOBRIANSKY

DEPT FOR G, OES, AND EAP
TREASURY FOR TFCA - BERG
NSC FOR CEQ CONNAUGHTON, VAN DYKE

E.O. 12958: N/A

TAGS: [SENV](#) [KGHG](#) [ECON](#) [PREL](#) [ID](#)

SUBJECT: PRE-COP BOGOR SCENESETTER FOR U/S DOBRIANSKY: INDONESIAN
PERSPECTIVES

REF: JAKARTA 2683

¶1. (SBU) Summary and Introduction: Embassy Jakarta welcomes you to Indonesia to participate in the Informal Ministerial Meeting on Climate Change in Bogor, October 23-25. Indonesia wants the pre-COP ministerial meeting to increase prospects for the success of the 13th UNFCCC Conference of the Parties (COP 13) in Bali in December. As with the Major Economies Meeting (MEM), GOI officials view the Bogor meeting as a "confidence building measure" on the road to COP ¶13. They will judge the meeting a success if there is any movement towards consensus or agreement on specific climate change issues.

¶2. (SBU) Indonesia will focus on financial incentives to prevent deforestation and land degradation. GOI officials remain unclear about the specific form this should take, but they would view positively any support for REDD (Reducing Emissions from Deforestation and Degradation) initiatives, and are open to private sector approaches. Following the MEM, the Indonesians are clearly interested in the trade-clean technology linkages, including financing and technology transfer for developing countries. End Summary and Introduction.

Reaction to Major Economies Process: Reassured

¶3. (SBU) Minister of Environment Witoelar and others cautiously approached the MEM as a potential "confidence building measure" and a "political building block" for a successful outcome at COP-13 (reftel). The MEM appears to have surpassed these modest Indonesian expectations. Salman Al-Farisi, the MFA representative at the MEM, recently told us that they are now reassured that the MEM process would not undermine or detract from the UNFCCC process. According to presidential advisor Dino Djalal, the members of Indonesia's MEM delegation briefed President Yudhoyono after their return from the U.S., and the President was pleased with the outcome of the meeting.

Bogor and Desired Outcomes: "A Kind of Warm Up"

¶4. (SBU) Witoelar's public statements since the MEM indicate that he views the pre-COP meeting as a similar building block. Bogor will not be a meeting to corner participants on policy positions but an attempt to bring countries' respective positions closer together in advance of December. In his words, it will be "a kind of warm-up" to help countries prepare their strategies and positions for a successful COP-13. In addition to discussions of a post-Kyoto Protocol emissions reduction scheme, the Indonesians want active

consideration of financial incentives to prevent deforestation. Besides carbon trading, they have focused on direct assistance/funding for conservation and reforestation/rehabilitation of degraded lands.

The Refrain: Your Money, Our Forests

15. (SBU) The GOI wants the rest of the world to help fund policies in countries like Indonesia to preserve its rich tropical forests, but remains unclear about the specific form this would take. Minister Witoelar and his deputies, as well as Ministry of Forestry (MOF) officials and Presidential Advisor Dr. Emil Salim, have suggested a transfer of \$5-20 per hectare of forest preserved (in good condition). This is a nod towards REDD initiatives like the World Bank's Forest Carbon Partnership Facility (FCPF), which would slow deforestation by compensating developing countries for carbon dioxide reductions realized by maintaining their forests. GOI officials say estimates of non-degraded forest area in Indonesia that might qualify range from 33-88 million hectares.

16. (SBU) At the same time, officials acknowledge that much research into and discussion of the science surrounding measuring and monitoring avoided deforestation are needed. Mr. Wahyudi Wardoyo, the MOF's Head of the Forestry Research and Development Agency, says that they are working to compile convincing data and methodologies that will be acceptable to COP-13 delegates. Officials also stress that Indonesia has roughly 59.2 million hectares of deforested or degraded land, and that any future mechanism should include funding for reforestation and rehabilitation of these lands. They have called for easing rules under the Clean Development Mechanism (or any similar future mechanism) so that Indonesia can benefit more from its forests. Lack of historical forest conversion data currently impedes Indonesia from participation in CDM-financed forestry projects.

Technology, Trade, and Adaptation Funding

17. (SBU) In addition to financial mechanisms to protect rainforests, the GOI is interested in the trade-clean technology linkages, including financing and technology transfer for developing countries. GOI officials, including Dr. Emil Salim, have repeatedly stated the importance of finance, technology transfer, and the private sector (usually in terms of carbon credits and trading) following the MEM. The MFA's Salman Al-Farisi, Director for Development, Economic and Environmental Affairs, told us recently that following the MEM, the GOI is keen to hear additional details from the U.S. regarding trade and technology transfer issues.

Comment

18. (SBU) The Bogor meeting is an opportunity for you to reemphasize that the MEM process will complement and reinforce the UNFCCC process. You will want to stress that the U.S. places great importance on the issue of climate change and shares Indonesia's desire for a successful outcome at COP-13. On forests specifically, you may want to point out that the U.S. is making available approximately \$19.6 million to protect forests in Indonesia under the Tropical Forest Conservation Act, in addition to funding regional programs on illegal logging, habitat preservation, and sustainable forest management.

HUME